

MEMORANDUM #15, 2014

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission
Five Middlesex Avenue, Suite 304, Somerville, MA 02145
Ph 617 666 4446 | Fax 617 628 4002 | TTY 617 591 8917 | www.mass.gov/perac

Domenic J. F. Russo, *Chairman*

Auditor Suzanne M. Bump | Alan Macdonald | James M. Machado | Donald R. Marquis | Robert B. McCarthy |
Gregory R. Mennis

Joseph E. Connarton, *Executive Director*

MEMORANDUM

TO: All Retirement Boards

FROM: Thomas J. O'Donnell, Compliance Officer

RE: Tobacco Company List

DATE: April 8, 2014

On October 22, 1997 PERAC Memo #37/1997 informed you of the adoption of Chapter 119 of the Acts of 1997. That statute prohibits retirement systems from making any new investments in stocks, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. On December 18, 1997 PERAC sent Memo #48 regarding the implementation of Chapter 119 and the first Tobacco Company List.

Enclosed please find a Tobacco Company List dated April 2014. This list replaces any other Tobacco Company List previously sent to your board and is effective upon receipt by the retirement boards. Most of these companies appeared on previous lists and such investments were prohibited from the time the companies first appeared on the list. Please forward a copy to your investment advisors or inform them that this list is available on the PERAC Home Page under the Investment Unit's 2014 Memo Index. In communicating with your investment advisors, please inform them that the Tobacco Company List is only for their Massachusetts public fund clients and that any other use of the list is strictly prohibited.

As part of its audit process, PERAC will assess the portfolio of each board to determine compliance. That review will determine if the board, after January 13, 1998, has purchased stock, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. In the event a portfolio is not in compliance, the board must bring the portfolio into compliance by divesting in a prudent manner. Prior to taking any action, the board shall consult with PERAC.

In applying the statute to pooled funds, PERAC will assess the 15% rule against the entire pool as the board is purchasing shares in the pool not the individual holdings of the pool. Thus a pooled fund, if in violation of this standard, will be included on the list.

If you have any questions, please contact this office.

Enclosure

TOBACCO COMPANY LIST

APRIL 2014

COMPANY

COUNTRY

22nd Century Group, Inc.

United States

Alliance One International Inc.

United States

Altria Group, Inc.

United States

AMCON Distributing Company

United States

Core-Mark Holding Company, Inc.

United States

Lorillard, Inc.

United States

Philip Morris International Inc.

United States

Reynolds American Inc.

United States

Schweitzer Mauduit International Inc.

United States

Smokefree Innotec Inc

United States

Universal Corporation

United States

Vapor Corp.

United States

Vector Group Ltd.

United States

British American Tobacco Bangladesh Co. Ltd.

Bangladesh

Fabrika Duhana Sarajevo dd Sarajevo

Bosnia & Herzegovina

Souza Cruz S.A.	Brazil
Bulgartabak Holding AD	Bulgaria
Gotse Delchev Tabak AD Gotse Delchev	Bulgaria
Isperih BT AD Isperih	Bulgaria
Nicotiana BT Holding AD Sofia	Bulgaria
Pazardzhik BT Menidzhmant AD Pazardzhik	Bulgaria
Shumen Tabac AD Shumen	Bulgaria
Sila Holding Plc	Bulgaria
Slantse Stara Zagora Tabak AD Stara Zagora	Bulgaria
Sofia Bulgartaback AD Sofia	Bulgaria
Stara Planina Hold AD Sofia	Bulgaria
Yuri Gagarin AD Plovdiv	Bulgaria
British American Tobacco Chile Operaciones SA	Chile
Mudanjiang Hengfeng Paper Co., Ltd.	China
Shenzhen Jinjia Color Printing Group Co., Ltd.	China
Shiner International Inc	China

COMPANY**COUNTRY**

Adris Grupa dd

Croatia

Hrvatski Duhani dd

Croatia

Tvornica Duhana Zagreb dd

Croatia

Philip Morris CR AS

Czech Republic

Eastern Company SAE

Egypt

Karelia Tobacco Company Inc SA

Greece

Huabao International Holdings Ltd.

Hong Kong

Godfrey Phillips India Ltd.

India

Golden Tobacco Ltd.

India

ITC Limited

India

NTC Industries Ltd.

India

Sinnar Bidi Udyog Ltd

India

Virat Crane Industries Ltd	India
VST Industries Limited	India
PT Bantoel Internasional Investama Tbk	Indonesia
PT Gudang Garam Tbk	Indonesia
PT Hanjaya Mandala Sampoerna Tbk	Indonesia
Wismilak Inti Makmur PT	Indonesia
Jerusalem Cigarette Co Ltd	Israel
Societe Ivoirienne des Tabacs SA	Ivory Coast
Carreras Ltd	Jamaica
ITOCHU Corporation	Japan
Japan Tobacco Inc.	Japan
Mitsubishi Corporation	Japan
Jordanian Duty Free Shops PSC	Jordan

Sharikat Al Eqbal Lil Istethmar M.En.M	Jordan
Union Tobacco & Cigarette Industries Co PLC	Jordan
British American Tobacco Kenya Ltd	Kenya
Tutunski Kombinat AD Prilep	Macedonia
<u>COMPANY</u>	<u>COUNTRY</u>
Press Corporation Ltd.	Malawi
British American Tobacco (Malaysia) Berhad	Malaysia
JT International Berhad	Malaysia
Duvanski Kombinat ad Podgorica u stecaju	Montenegro
Khyber Tobacco Company Ltd.	Pakistan
Pakistan Tobacco Company Ltd.	Pakistan
Philip Morris (Pakistan) Limited	Pakistan

British American Tobacco del Peru Holding SAA	Peru
LT Group Inc.	Philippines
BAT Vranje ad Vranje	Serbia
Duvanska ad Coka	Serbia
Duvanska industrija ad Bujanovac	Serbia
Philip Morris Operations a.d. Nis	Serbia
New Toyo International Holdings Ltd	Singapore
KT&G Corporation	South Korea
Nongshim Holdings Co., Ltd.	South Korea
SK Chemicals Company, Ltd.	South Korea
Miquel y Costas & Miquel, S.A.	Spain
Ceylon Tobacco Company PLC	Sri Lanka

Swedish Match AB	Sweden
Taisun Enterprise Co. Ltd.	Taiwan
Taiwan FamilyMart Co., Ltd.	Taiwan
Tanzania Cigarette Company Ltd	Tanzania
West Indian Tobacco Company Ltd.	Trinidad and Tobago
Bizim Toptan Satis Magazalari AS	Turkey
Haci Omer Sabanci Holding A.S.	Turkey
British American Tobacco Uganda	Uganda
<u>COMPANY</u>	<u>COUNTRY</u>
Booker Group Plc	United Kingdom
British American Tobacco Plc	United Kingdom

Imperial Tobacco Group Plc

United Kingdom

Cat Loi Joint Stock Co.

Vietnam

Cong Ty Co Phan Ngan Son

Vietnam

Hoang Long Group

Vietnam

British American Tobacco Zambia Plc

Zambia

British American Tobacco Zimbabwe Holdings Ltd

Zimbabwe